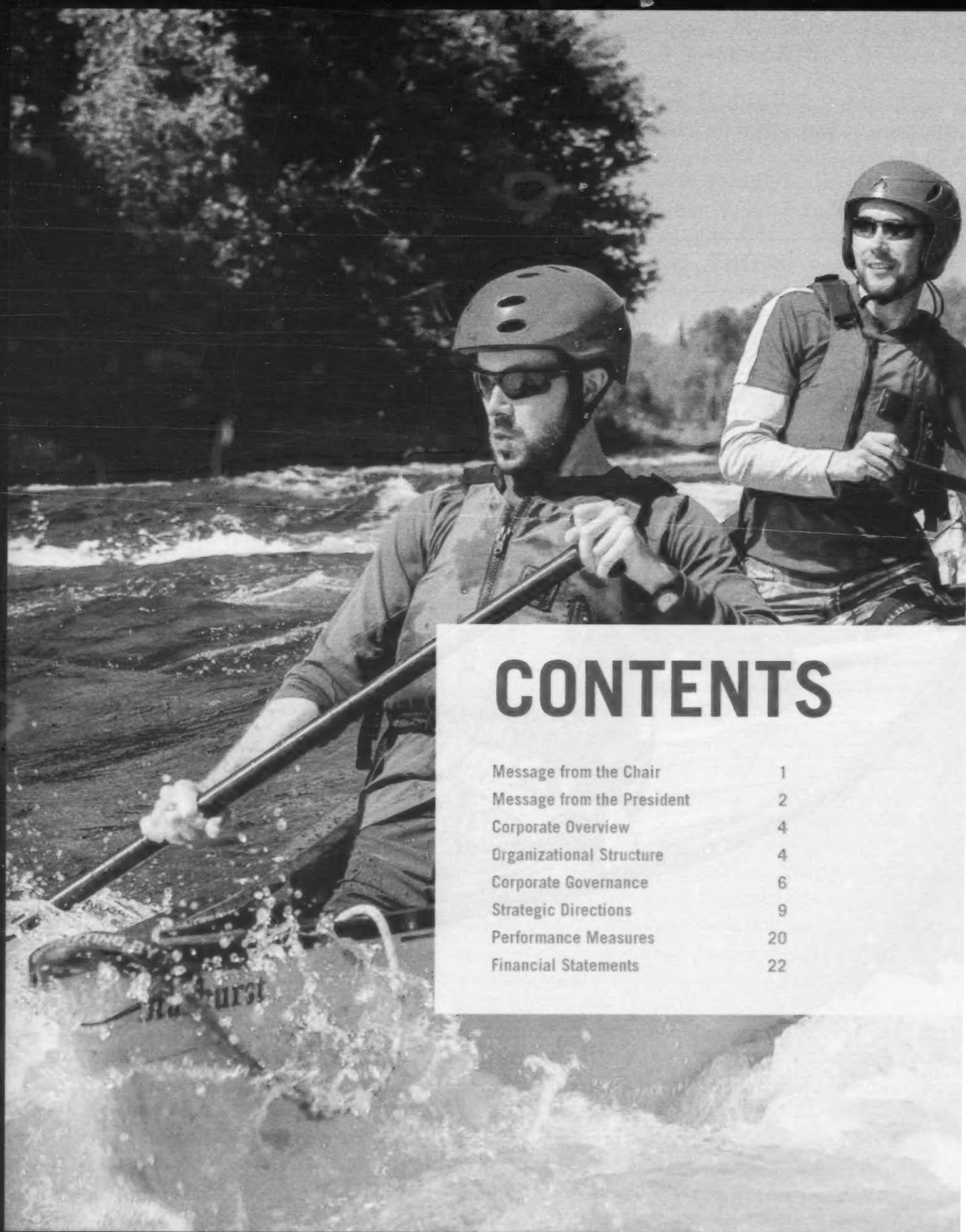
ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION

An agency of the Government of Ontario

2015-2016 ANNUAL REPORT

ONTARIO *Yours to discover* | OTMPC



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Message from the Chair

Now in my seventh year as a member of the Board of the Ontario Tourism Marketing Partnership Corporation (OTMPC), and my second year as Chair, I must underscore that 2015–16 was a particularly busy and exciting year.

I was pleased to join the Destination Canada Strategic Retreat in Muskoka, and to share the OTMPC's strategic plan, Canadian and international market priorities, and campaign activities with Destination Canada. The OTMPC International Marketing team is to be commended for its excellent partnership with Destination Canada, the Tourism Industry Association of Canada (TIAC) and Tourism Niagara Falls to successfully deliver Rendez-vous Canada (RVC) 2015, where over 1,000 Canadian tourism businesses pitched travel experiences to over half as many international trade professionals.

OTMPC continues to *build and deliver the case for investment* by championing Ontario tourism through its partnerships with industry, local and global marketing presentations, and ongoing efforts to measure success through various statistical analyses. Ontario remains Canada's largest travel destination, capturing 35% of the nation's tourism spending by overseas visitors, with over 150,000 businesses generating over $12 billion in municipal, provincial and federal tax revenues. By 2019, visitor expenditures are projected to be derived approximately as follows: 51% from Ontario, 24% from overseas, 16% from the United States, and 9% from the rest of Canada. With the stronger U.S. dollar, Ontario is enjoying significantly increased visitation from our neighbour to the south and competing nicely for overseas visitors.

The OTMPC Board continuously measures activities and investments aligned to the four strategic pillars of the 2014–2017 OTMPC Strategic Plan. With two years completed, clearly OTMPC is *building a powerful brand* to drive results, with new brand guidelines, and four successful tactical campaigns over a 12 month period. *Partnerships* with tourism industry stakeholders have expanded, particularly with transportation and accommodation partners, as well as Regional Tourism Organizations (RTOs) and Destination Marketing Organizations (DMOs). OTMPC's international marketing efforts, while perhaps only part of the equation, definitely contribute to continuous growth in the number of visitors and resulting visitor expenditures from the northeastern U.S., China and the United Kingdom, identified as Tier One Markets, as well as Japan, South Korea, India, Germany, France, Brazil, and Mexico.

Starting in the fall of 2014, OTMPC produced two very well received television commercials supporting the Pan/Parapan Am Games, and then was invited to lead preparation and delivery of Ontario's Celebration Zone in 2015. I was pleased to be able to celebrate the official opening of the Zone at Toronto's Harbourfront Centre in July with The Honourable Michael Coteau, Minister of Tourism, Culture and Sport and Minister Responsible for the Pan/Parapan Am Games. For five and a half weeks, OTMPC worked diligently with partner Ellis Don to deliver an extraordinary program celebrating Ontario talent, geography, and culinary excellence. It was particularly inspiring to see physically-challenged visitors conquer the 400-foot zip line!

I would like to thank the members of the four OTMPC committees for their input and particularly the committee Chairs who delivered insightful presentations to the Board this year: Karen Squires for the RTO Advisory Committee, Brenda Branch for the Sector Advisory Committee, Dr. Marion Joppe for the Marketing Metrics Advisory Committee and Carol Caputo for the Northern Committee. Committee contributions, as well as extensive opportunities for staff learning and development, have empowered realization of the Strategic Plan's pillar to embrace *organizational innovation and effectiveness*. And, congratulations to the OTMPC team on achievement of the Excellence Canada Level 2 Certification!

Personally, I want to again thank the staff at OTMPC for their commitment and dedication to tourism, both within the province by Ontarians and to the province by international and Canadian visitors. I want to thank my skilled Board colleagues who continue to provide excellent input both to me and OTMPC leadership, positively influencing the organization and implementation of strategies designed to contribute to Ontario's economic growth. I also want to thank The Honourable Michael Coteau for his leadership and support of the OTMPC as the province's tourism agency.

As Chair, I look forward to 2016–17 and to working with both staff and Ontario's tourism industry professionals to generate economic growth and prosperity for our province.

Jim Marchbank, Chair

Ontario Tourism Marketing Partnership Corporation

Message from the President

2015–16 was a remarkable year featuring many major highlights, including the inspirational Pan/Parapan Am Games.

In April, OTMPC Chair Jim Marchbank and I joined The Honourable Michael Coteau, Minister Responsible for the Pan/Parapan Am Games at Harbourfront Centre to reveal the "Get Ready" television commercial produced by OTMPC, complementing the popular "Invade" fall 2014 commercial, and to announce the Ontario's Celebration Zone site design. For 38 days, from July 10 to August 16, Ontario's Celebration Zone recorded over 443,600 visits, as fans from the Americas enjoyed over 500 activations, including the fully-accessible 400-foot zip line and the talents of 200 performers. A Wish Me Luck wall generated 30,000 best wishes to athletes, including from Minister Coteau, Lieutenant Governor Elizabeth Dowdeswell, Premier Kathleen Wynne and a delegation representing tourism for the Brazil Olympics, all visitors to the Celebration Zone.

On the national level, Chair Marchbank and I participated in the Destination Canada Strategic Retreat, held in April at Deerhurst, along with TIAC and the Hotel Association of Canada (HAC). In May, OTMPC worked with Destination Canada, TIAC, and Tourism Niagara Falls to host a very successful RVC, attended by over 450 buyers from around the globe. At RVC, OTMPC hosted a meeting of the heads of federal/provincial/territorial tourism (FPT) agencies, and special receptions for buyers from China, Japan and Korea, as well as the Ontario delegates.

OTMPC continues to invest in building a powerful brand to drive results, promoting #DiscoverON and refreshing the Ontario Brand Toolkit. The *Best of Ontario* spring/summer campaign was followed by *10 Ontario Fall Weekends*, both including extensive magazine distribution in New York. A *Give the Gift of Ontario* campaign in November emphasized in-province tourism, and a January to June *Explore the Possibilities* campaign promoted avid tourism experiences including fishing, outdoor adventures, powersports and hunting. In addition, OTMPC invested significantly in the production of a new brand commercial to be released in June 2016, featuring powerful scenes from around the province.

OTMPC continues to develop and execute effective partnerships with industry stakeholders, including the Ontario Chamber of Commerce, Air Canada, Porter Airlines, Indigenous tourism organizations, and RTOs. The Tourism Industry Partners Program (TIPP) supported 13 consortia marketing programs out-of-province. To grow international visitor expenditures, OTMPC led multiple missions abroad, trained 3,969 travel professionals, and hosted media and trade familiarization trips showcasing provincial tourism assets. Media relations activities generated $75.9M in Ad Value Equivalency and 1.5 million visits to the international OTMPC websites were recorded.

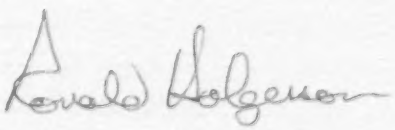
I would like to extend a special shout-out to staff at our 11 Ontario Travel Information Centres (OTICs), who welcomed their millionth visitor in December. The Ontario Travel Information Services Conference, held in Ottawa, was also a success, welcoming over 175 delegates from travel centres around the province and Canada, in addition to staff.

In terms of organizational effectiveness, the work of the RTO Advisory Committee, the Sector Advisory Committee, the Marketing Metrics Advisory Committee and the Northern Committee continues to inspire OTMPC staff and strategic direction, and we thank members for their contributions. Internally, OTMPC staff benefited from multiple presentations by tourism industry businesses and RTOs, adding to product knowledge. OTMPC invested in workshops for staff on leadership, innovation, and digital marketing, and achieved Excellence Canada Level 2 certification for continuous improvement.

OTMPC also restructured with the addition of a third senior manager, resulting in three Vice Presidents, Lisa LaVecchia, Vice President & Chief Marketing Officer (CMO), Trisha Grant, Vice President, Industry Relations & International Marketing, and Lorrie Pella, Vice President, Visitor Engagement & Northern Marketing. This change significantly benefited workload management.

It was a privilege to attend the launch of the Réseau des villes francophones et francophiles d'Amérique in Quebec City, attended by over 350 representatives from throughout North America, including mayors from major U.S. cities with francophone populations. At the invitation of The Honourable Madeline Meilleur, Minister Responsible for Francophone Affairs, OTMPC delivered a presentation on the developing Circuit Champlain tourism route at several meetings of FPT ministers and directors responsible for La Francophonie. OTMPC is also collaborating with the Ministry of Tourism, Culture and Sport (MTCS) and the Réseau de développement économique et d'employabilité (RDÉE) to promote francophone tourism to Ontario and celebrate Ontario's francophone culture as a tourism asset.

Finally, at the 2015 Ontario Tourism Summit organized by the Tourism Industry Association of Ontario (TIAO), I delivered a presentation entitled *Transformation*, demonstrating the evolution of OTMPC over the past five years and recommending future focus on improved public transportation, more multilingual customer service, more quality experiences, greater product differentiation with new itineraries, and ongoing collaboration and partnerships.



Ronald Holgerson, President & CEO

Ontario Tourism Marketing Partnership Corporation

CORPORATE OVERVIEW

Corporate Overview

VISION

To position Ontario as a preferred global destination.

MISSION

To generate increased visitation by Ontario, Canadian and international tourists, enhance tourism expenditures in Ontario, and contribute to provincial economic prosperity through impactful marketing and results oriented investment partnerships.

MANDATE

OTMPC is governed by Ontario Regulation 618/98 under the *Development Corporations Act*. Its mandate, as provided for in the regulation, is:

(a) to market Ontario as a travel destination;

(b) to undertake joint marketing initiatives with the tourism industry;

(c) to support and assist the marketing efforts of the tourism industry; and

(d) in cooperation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The following principles support the mandate:

(a) OTMPC is to lead the marketing of Ontario as a travel destination nationally and internationally;

(b) OTMPC and regional organizations are to work together to market travel within Ontario;

(c) OTMPC is to deliver marketing services that contribute to regional and economic development;

(d) OTMPC is to become a centre of excellence supporting provincial marketing; and

(e) OTMPC is to engage in partnerships to support the above objectives.

Organizational Structure

MARKETING

OTMPC's marketing team uses a targeted multi-media approach to connect with provincial, national and international consumers.

Brand Management and Consumer Marketing

OTMPC builds brand awareness through multiple channels within Ontario, across other provinces and internationally to position Ontario as a preferred vacation destination of choice.

International Marketing

OTMPC promotes and facilitates the sale of Ontario market-ready tourism products and experiences by working closely and directly with tour operators, wholesalers and travel agents. The Ontario brand is promoted through joint marketing campaigns, trade conventions, marketplaces and select events in Canada, the U.S., the U.K., Germany, France, China, Japan, South Korea, India, Mexico and Brazil.

Media Relations

OTMPC develops and maintains close working relationships with members of the media in Ontario, priority Canadian markets, the U.S., and nine other international markets, with special emphasis on customized media tours, as well as media marketplaces and events to showcase Ontario through media outlets.

Digital Marketing

Digital marketing, through its various activities, encourages consumers to consider travel to Ontario. Through the Tourism Consumer Information System (TCIS), a variety of information is provided to potential visitors, and offers tools and information to the tourism industry. The system includes consumer and corporate websites that promote experiences and travel packages, while also directly connecting consumers to industry partners to book their travel; a consumer database; a literature delivery service; a bulk distribution centre; and the 1-800-ONTARIO contact centre. The Digital Marketing team also leads OTMPC's social media activities, connecting travellers with fun and dynamic Ontario travel ideas through social channels such as Facebook, Twitter, Instagram, YouTube, travel blogs, etc.

Market Research

OTMPC conducts tourism research that provides market intelligence and consumer behaviour analysis to enable OTMPC and tourism operators to make informed business decisions and help market Ontario products more effectively. Research also engages in tracking the success of OTMPC's marketing campaigns.

Special Projects

OTMPC works with government and industry partners to leverage major international events.

INDUSTRY RELATIONS

The industry relations team works to partner with the tourism industry to market Ontario as a year-round travel destination.

Partnerships and Regional Relations

OTMPC offers its partners the opportunity to market their products under the Ontario tourism brand and to enter important or new markets that might be challenging to access on their own. Sales efforts assist industry partners to reach visitor markets with strong, compelling messages linked to OTMPC's key marketing campaigns. Partners include RTOs, DMOs, attractions, accommodations, culinary and transportation businesses.

Tourism Event Marketing Program and Tourism Industry Partner Program

OTMPC provides support for marketing ventures with the tourism industry that promote Ontario as a premier destination with a particular focus on initiatives and media buys for consumers outside Ontario's borders. Through the Tourism Industry Partners Program (TIPP), OTMPC works with multi-partner groups to assess their tourism partnership ideas and to provide assistance to support their marketing campaigns. Through the Tourism Event Marketing Program (TEMP), OTMPC assisted in the marketing of select events and festivals across the province. TEMP has been successfully transferred to MTCS to be administered as part of the Celebrate Ontario program starting in 2016–17. TIPP and TEMP have focused on marketing campaigns that draw overnight visitors from outside of Ontario.

Northern Partnerships

Northern partnerships are designed to foster visitation to Northern Ontario, focusing on visits to RTOs 12 and 13A, B, and C and marketing the province's avid experiences such as angling, hunting, powersports touring and world-class outdoor adventures.

Ontario Travel Information Centres

OTICs provide an official welcome to visitors. Operated and staffed by trained counsellors, OTMPC's 11 OTICs offer visitors valuable, practical, on-the-spot information and advice on where to go and what to see and do in Ontario. Two of OTMPC's OTICs are located in ONroute service centres along Highway 401 in Bainsville and Tilbury. Electronic kiosks are located throughout the network of 20 ONroute service centres designed to enable travellers to access tourism information and allowing them to discover local and regional communities across the province.

PAN AM VISITOR ENGAGEMENT

The Pan Am visitor engagement team joined OTMPC in October 2014 to encourage tourism during the TORONTO 2015 Pan/Parapan Am Games. This team was responsible for the planning and delivery of the Ontario's Celebration Zone. The team was also responsible for promotion of the torch relay, a Games-specific social media tourism engagement strategy, and execution of a regional and community visitor engagement plan. The team was wound down in autumn 2015 following the successful delivery of its mandate.

CORPORATE SERVICES

The corporate services team oversees business operations, financial management, business planning, procurement, human resources, legal and facility and information technology (IT) services management for OTMPC. This program area is also responsible for business continuity planning in the event of an emergency.

PRESIDENT'S OFFICE

The President's Office provides executive support and assistance to the President and CEO in the operational planning, management and implementation of policies, programs and the agency's initiatives and priorities. Along with corporate communications, staff manages business operations for the President and CEO, Board of Directors and RTO, Sector, Marketing Metrics and Northern Tourism Marketing committees, and ongoing liaison with MTCS. Corporate communications staff works closely with marketing, sales and media relations staff to develop and implement targeted, strategic communications and public relations programs that proactively enhance OTMPC's profile with external and internal audiences and promote tourism's contribution to economic prosperity.

Corporate Governance

Board of Directors

OTMPC is governed by a Board of Directors comprised of business leaders who are appointed by the Lieutenant Governor in Council, based on recommendations from the Minister of Tourism, Culture and Sport. The Minister receives advice on Board membership through OTMPC's Board Governance and Nominations Committee and other interested parties.

The Directors sit on various committees of the Board, including the Executive Committee with a Human Resources Sub-Committee, chaired by Greg Treffry; the Audit, Finance and Risk Committee; and the Governance and Nominations Committee.

Executive Committee: Chaired by Jim Marchbank, the Committee sets priorities and recommends objectives and strategies to the Board.

Audit, Finance and Risk Committee: Chaired by Peter Fullerton, the Committee reviews financial performance and ensures that effective operating controls are in place.

Governance and Nominations Committee: Chaired by Jim Marchbank, the Committee undertakes assessment of Directors' skills, succession planning and recruitment for Board and Advisory Committees.

The **Northern Tourism Marketing Committee** also serves as a Committee of the Board with representation from Northern tourism industry stakeholders. Chaired by Carol Caputo, the Committee develops and monitors marketing strategies, tactics and programs for key Northern Ontario markets.

Advisory Committees

OTMPC also benefits from the wisdom, insight and advice of the three **Advisory Committees**:

Regional Tourism Organization Advisory Committee (RTO): Chaired by Karen Squires, the Committee supports the coordination, collaboration and alignment of RTO and OTMPC marketing programs and the brand.

Sector Advisory Committee: Chaired by Brenda Branch, the Committee focuses on tourism industry collaboration and promotion of experiences to all markets.

Marketing Metrics Advisory Committee: Chaired by Dr. Marion Joppe, the Committee ensures appropriate performance measures for both OTMPC and the tourism industry are in place and reported.

BOARD OF DIRECTORS

(terms listed as per fiscal year April 1, 2015 – March 31, 2016)

Mr. Jim Marchbank, Chair
Tourism Industry Representative
Sudbury
September 8, 2014 – September 7, 2017 (Chair)
September 24, 2008 – September 8, 2014 (Member)

Mr. Patrice S. Basille
Executive Vice President & General Manager
Brookstreet Hotel
Ottawa
August 15, 2012 – November 17, 2018

Mr. David de Launay
Deputy Minister
Ministry of Northern Development and Mines
Toronto
March 11, 2015 – March 10, 2018

Mr. Peter C. Fullerton
Finance and Audit Industry Representative
North York
March 23, 2011 – March 22, 2017

Mr. William Knowlton
Vice President
Jonview Canada
Toronto
October 25, 2012 – October 24, 2018

Ms. Leslie Krueger
Senior Vice President, Strategy and Media
Denneboom Inc.
Mississauga
August 29, 2012 – August 28, 2015

Mr. David Kuo
Head of Branch Network – Ontario
HSBC Bank Canada
Toronto
October 20, 2010 – October 19, 2016

Mr. Allan Luby
President, Captain
Lake Navigation (Kenora) Ltd.
Kenora
July 30, 2007 – June 26, 2016

Ms. Grace Sammut
Executive Director
Resorts of Ontario
Orillia
August 7, 2013 – August 6, 2016

Mr. Leslie Smith
Executive Director
Smart Serve Ontario
Toronto
January 9, 2013 – January 8, 2017

Mr. Gregory Treffry
Vice President, Partner Development
Shaw Media
Toronto
February 9, 2011 – February 8, 2017

Board Chair History

Jean Lam (1999 – 2000)

Mr. Alan Dare (2000 – 2001)

Mr. John Williams (2001 – 2003)

Ms. Anne Marshall (2003 – 2005)

Mr. William M. Duron (2005 – 2010)

Mr. Antoni Cimolino (2010 – 2014)

Mr. Jim Marchbank (2014 – Present)

President and CEOs History

Jean Lam (1999 – 2000)

Eugene Zakreski (2001 – 2002)

Ian Klugman (2002)

William Kenny (Acting)
(2002 – 2004)

Sandra McInnis (2004 – 2006)

Robin Garrett (2006 – 2011)

Ronald Holgerson (2011 – Present)

Northern Tourism Marketing Committee

Carol Caputo, Chair
Executive Director
Algoma Kinniwabi Travel Association

David MacLachlan, Past Chair
Owner
North to Adventure

Brad Greaves
Owner
Ignace Outpost

Adam Wilcox
Director, Business Development
Porter Airlines Inc.

Eric Brown
General Manger
Totem Resorts, Sioux Narrows

Meredith Armstrong
Manager of Tourism and Culture
City of Greater Sudbury

Bill Chambers
Owner
Pine Grove Resort Cottages

Ian McMillan
Executive Director
Tourism Sault Ste. Marie

Marty Kalagian
President
Tourism Northern Ontario

Paul Pepe
Manager of Tourism
City of Thunder Bay

Jonathan Massey
Sales and Marketing Manager
Residence Inn by Marriott
Muskoka Wharf

Sue Crane
Owner
Crane's Lochaven Wilderness Lodge

Jake Lacourse Jr.
Assistant General Manager
Clarion Resort Pinewood Park

Allan Luby
Board Director Representative
President, Captain
Lake Navigation (Kenora) Ltd.

Jim Marchbank
Board Director Representative
Tourism Industry Representative

ADVISORY COMMITTEES

RTO Advisory Committee

Karen Squires, Chair
Vice President of Marketing
Ottawa Tourism
RTO 10

Nicole Whiting, Vice-Chair
Executive Director
Ontario's Highlands Tourism Organization
RTO 11

Jen Moore
Marketing Manager
Southwest Ontario Tourism Corp.
RTO 1

Jody Larose
Executive Director
Tourism Partnership of Niagara
RTO 2

Maria Fortunato
Executive Director
Hamilton Halton Brant RTO
RTO 3

David Peacock
Executive Director
Regional Tourism Organization 4 Inc.
RTO 4

Andrew Weir
Executive Vice President
Tourism Toronto
RTO 5

Chuck Thibeault
Executive Director
RTO 6 – Central Counties
RTO 6

Bill Sullivan
Executive Director
RTO 7 – Bruce Grey Simcoe
RTO 7

Brenda Wood
Executive Director
RTO 8 – Kawarthas Northumberland
RTO 8

Tom Price
Executive Director
RTO 9 – The Great Waterway
RTO 9

James Murphy
General Manager
Explorer's Edge
RTO 12

Donna McLeod
Executive Director
Northeastern Ontario
RTO 13A

Ian McMillan
Executive Director, Tourism Sault Ste. Marie
Sault Ste. Marie Economic Development Corp.
RTO 13B

Paul Pepe
Manager
Tourism Thunder Bay
RTO 13C

Patrice Basille
Board Director Representative
Executive Vice President & General Manager
Brookstreet Hotel Corp.

Sector Advisory Committee

Brenda Branch, Chair
Marketing & Promotions Officer
Hamilton Civic Museums, Planning and Economic Development Department
City of Hamilton

Michele Bosc
Director of Marketing
Château des Charmes Wines

Rick Naylor
President
Accucom Corporate Communications Inc.

Anita Gaffney
Administrative Director
Stratford Shakespeare Festival

Bryan Mercer
Director, Marketing
St. Lawrence Parks Commission

Betty McGie
CEO
Watson's Algoma Vacations & Watson's Skyways Ltd.

Jill Quast
Owner-Operator
Happy Days Houseboats

Lisa Tompkins
Director Marketing and Communications
CN Tower

Scott Davidson
National Historic Site and Visitor Experience Manager
Bethune Memorial House, Parks Canada

Rebecca McKenzie
Executive Director
Ontario Culinary Tourism Alliance

Louise Lacroix
Executive Director
Direction Ontario

Gordon Orr
CEO
Tourism Windsor Essex Pelee Island

Anna Pierce
Vice President
Niagara Helicopters

Beth Potter
President & CEO
Tourism Industry Association of Ontario

Harry Patel
Director of Operations
Northampton Group Inc.

Gloria Loree
Executive Director, Global Marketing
Destination Canada

Troy Young
Executive Director
Attractions Ontario

Kathi Nichols
Executive Director
Ontario's Finest Hotels, Inns and Spas

Jim Marchbank
Board Director Representative
Tourism Industry Representative

Marketing Metrics Advisory Committee

Dr. Marion Joppe, Chair
Research Chair, Tourism
School of Hospitality and Tourism Management
University of Guelph

Dr. Alan Middleton
Executive Director
Schulich Executive Education Centre
Assistant Professor of Marketing, Schulich School of Business
York University

Andrew Weir
Executive Vice President
Tourism Toronto

Michael Sullivan
Partner
The Strategic Counsel

Lee Zhang
Director
Interkom Inc.

Matt Kelly
Managing Partner
Level5 Strategy Group

Alex Athanassakos
Team Leader, Tourism Policy and Research
Ministry of Tourism, Culture and Sport

Allan Luby
Board Director Representative
President, Captain
Lake Navigation (Kenora) Ltd.

2014–2017 STRATEGIC PLAN

The four strategic pillars are:

BUILD AND DELIVER THE CASE FOR INVESTMENT

- Champion the economic value and impact of tourism industry sectors
- Create and support inter-ministerial synergies
- Generate an effective communications strategy that celebrates the tangible benefits of investing in building the Ontario tourism brand
- Enhance links to and relationships with business industry leaders (e.g., Chambers of Commerce)

BUILD A POWERFUL BRAND THAT DRIVES RESULTS

- Create and effectively execute the big brand idea – an emotional campaign to drive tourism visits and spend aligned to the brand strategy
- Focus on key target markets and their audiences using OTMPC marketing insights
- Encourage the tourism industry to develop content/ packages to attract the international market – 'Ontario Signature Experiences'
- Identify and measure against key performance indicators

EMBRACE ORGANIZATIONAL INNOVATION AND EFFECTIVENESS

Board

- Actively participate to strengthen strategic relationships that champion and promote tourism's value and economic impact

Committees

- Inform and advise on tourism's value to the economy

OTMPC

- Foster a culture of leadership, passion and accountability
- Encourage and reward fact-based decision making
- Operate with an investment mindset
- Be forward looking and find new and innovative products

DEVELOP AND EXECUTE AN EFFECTIVE PARTNERSHIP STRATEGY

- Maximize stakeholder investment in OTMPC marketing programs
- Champion the Ontario brand to partners to adopt into their campaigns
- Secure new external and private sector partners to participate in OTMPC programs
- Measure and track brand alignment and partner investments

LINKS TO MINISTRY PRIORITIES

OTMPC worked with MTCS to support and undertake marketing activities that are joint priorities of the Ministry and OTMPC.

Tourism and Cultural Agency Promotion

OTMPC worked with the Government of Ontario's tourism and cultural agencies and attractions – including St. Lawrence Parks Commission, Ontario Heritage Trust, Ontario Media Development Corporation, Fort William Historical Park and Huronia Historical Parks – to promote Ontario's cultural and tourism assets.

TORONTO 2015 Pan Am/Parapan Am Games

OTMPC worked in collaboration with the Toronto 2015 Games Organizing Committee (TO2015), Destination Canada, the ministry's Investment Development Office, Pan/Parapan Am Games Secretariat and several RTOs (Niagara, Hamilton Halton Brant, Greater Toronto Area (GTA), York, Durham and Hills of Headwaters, Bruce Grey Simcoe, Haliburton Highlands to the Ottawa Valley) on a tourism marketing strategy to leverage the 2015 Games.

OTMPC undertook a marketing campaign featuring two commercials, 'Epic Is ON' and 'Get Ready', to build awareness of the Games and to drive tourist visitation and increased spending. There were over 3.6 million views of 'Invade' and over 1.8 million views of 'Get Ready' on YouTube. 'Invade' has been recognized and honoured with 14 top marketing awards, including: top *Bessies* Awards: Best in Show for the Craft category and Gold Craft categories for Best Use of Music, Editing, Sound Design, and Colourist; *Marketing Magazine* Bronze Award for over 30 second television commercials; and *Applied Arts Advertising* Awards.

Ontario's Celebration Zone

Ontario's Celebration Zone at Harbourfront Centre proved to be one of the most popular public celebration sites during the 2015 Games, welcoming 443,600 visitors over 38 days from July 10 to August 16, 2015 with the main highlights being evening concerts, the zip line, Adrenaline Rush jump, and climbing wall. The Wish Me Luck wall generated 30,000 best wishes to athletes and teams at the Games. Over 500 activations, including over 200 Ontario performers, were involved in the Zone programming. The project was delivered under the total allocated budget.

150th Anniversary of Canada's Confederation (2017)

OTMPC is assisting with preparation to promote the 150th anniversary of Canada as a nation and Ontario as a province from the tourism perspective.

Live Music Strategy

OTMPC supported the ministry's strategy to strengthen Ontario's position as a global leader for live music. Ontario's live music scene is promoted in marketing publications and on ontariotravel.net.

BUILD AND DELIVER THE CASE FOR INVESTMENT

OTMPC, with a 2015–16 base allocation of $39.87 million, promoted Ontario as preferred global travel destination to consumers on four continents; priority countries included the U.K., Germany and France in Europe, Canada, the U.S., Mexico and Brazil in the Americas, and China, Japan, South Korea and India in Asia.

As a public/private partnership, OTMPC collaborated with industry partners to develop and deliver integrated evidence/research-driven marketing programs.

OTMPC provided a full range of services including targeted marketing campaigns, media relations, market education seminars, trade operator partnerships and education, advertising and funding opportunities, consumer information services, two partnership grant programs and consumer insights from market research.

Partnering with Government Agencies

OTMPC continued to promote heritage, culture and tourism agencies and attractions in various ways, including a *Fun Pass* coupon book distributed to elementary school children. Additionally, nine Ontario government agencies partnered with OTMPC with purchased advertising in 2015–16 OTMPC marketing assets including the Niagara Parks Commission, Fort William Historical Park, Ontario Parks, Huronia Historical Parks and the St. Lawrence Parks Commission. OTMPC developed its Aboriginal Tourism Marketing Strategy while also collaborating with the ministry's Culture Division on Ontario's Live Music Strategy.

OTMPC Board of Directors

Throughout the year, Board members attended various events including inter-provincial, national and international meetings representing OTMPC and the Ontario tourism industry. Events included the Ontario Tourism Summit, RVC, Destination Canada meetings, and provincial marketing organization meetings. As well, the OTMPC's Board of Directors agreed to measure and report on Board attendance performance, achieving an average 2014–15 Board meeting attendance of 87 per cent. The Advisory Committee Chairs, Karen Squires, Carol Caputo, Brenda Branch and Dr. Marion Joppe provided committee updates and feedback to the Board. Committee Chairs, on a rotating basis, attended

Board meetings to ensure on-going communication and dialogue between the Board and committees.

BUILD A POWERFUL BRAND THAT DRIVES RESULTS

Marketing

In 2015–16, OTMPC continued to focus on its three-tier market prioritization strategy. Tier 1 markets were targeted through OTMPC brand advertising, Destination Canada-partnered campaigns, travel trade and media relations, including: Ontario, Quebec, the U.S. (New York, Michigan, Pennsylvania), the U.K. and China. Tier 2 markets were mainly targeted through OTMPC-Destination Canada partnerships, travel trade and media relations, including Japan, Germany, Brazil, France and India. Tier 3 markets were targeted predominantly through media relations, including South Korea, Mexico and the rest of Canada.

BRAND MANAGEMENT AND CONSUMER MARKETING

OTMPC developed four major themed brand campaigns for 2015; Best of Ontario Summer, 10 Fall Weekends, the Holiday campaign and the Explore the Possibilities in Northern Ontario. The combination of these campaigns resulted in:

- 4.4 million magazines being distributed, with 80–90% engagement per issue
- 793 Ontario businesses being mentioned
- 186 million digital ad impressions
- 325,000 clicks to ontariotravel.net
- 1.2 million community engagements through social media (up 28% from 2014)
- 290,000 social media followers (up 47% from 2014)
- 974,721 leads to partners

Best of Ontario

The annual Best of Ontario 2015 spring/summer campaign inspired the domestic and U.S. markets to spend their summer holidays enjoying the absolute best that Ontario has to offer. Awareness was created using online ads and strong messaging incorporating all platforms including email, social media, and the mobile app. Digital media was highly successful in driving traffic to the consumer website (over 466,000 visits) and leads to industry (over 20,000). For the first time, "native advertising"[1] with Buzzfeed was used for lead generation: four unique posts were created which generated almost 17,000 leads. The Annual *Best of Ontario* magazine, as well as the social media and website initiatives, all strengthened imagery perceptions and emotional associations to Ontario both in the targeted U.S. markets and domestically. The perceptions of Ontario as being 'dynamic', 'diverse' and 'fun' as a travel destination have increased by an average 2 per cent over the previous year. Approximately 1.25 million publications were distributed across Ontario (325,000 copies), Franco-Ontario and Quebec (50,000), and the U.S. (875,000), and over 175 Ontario businesses were mentioned in the publication. A Blue Mountain "tip-in"[2] in the magazine generated 290 total room nights. Social media garnered over 120,000 consumer engagements with the Ontario brand.

The summer 2015 return on investment (ROI) was $25.80:1 in the Ontario market and $5.20:1 in the U.S. near markets.

10 Fall Weekends

The 10 Fall Weekends campaign generated interest and encouraged both Ontarians and our American neighbours to explore Ontario through a 'beyond the guidebooks' reveal of the province's hidden gems, presented in 10 weekend itineraries spanning the season. The media strategy of mixing awareness tactics (through print and programmatic display) with digital traffic-driving tactics (through native advertising, paid social media, branded content, and email marketing) resulted in 197,000 visits to ontariotravel.net and 34,000 leads to industry. Superior ROI resulting from investment in Yahoo Gemini native advertising which delivered 66% of digital display clicks and 64% of leads with just 23% of the display media budget. Additionally, OTMPC partnered with Buzzfeed for two promoted posts which resulted in more than 150,000 views and generated 20,504 leads. The distribution strategy of the *10 Fall Weekends* publication mirrored that of the spring/summer campaign and resulted in significant gains in recall in Ontario as well as both in near- and mid-haul U.S. markets.

Holiday Campaign

On the digital side, search engine marketing, email and online ads (including paid social media) were used to drive traffic to ontariotravel.net – over 500,000 web visits which converted to over 80,000 leads to industry. Through a combination of newspaper insertions and mail drops, 320,000 copies of the *Give the Gift of Ontario* publication were distributed in Ontario, with an additional 50,000 in Franco-Ontario and Quebec. Private-sector participation in the Holiday campaign was significant through partnerships with Air Canada and Oxford Properties.

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[1] Usually an online article or video, produced by the marketer, that matches the form and style seen in the work of the online platform's editorial staff.

[2] A page that is printed separately from the main text of a publication, but is attached to the publication. Typically, it is printed on a different kind of paper with a different format than a regular page.

Tourism Week

Tourism Week (May 29–June 6) consisted of several regional launches including Barrie (May 29), St. Catharines (May 30), Windsor (June 3), and Sault Ste. Marie (June 5), as well as open houses at other OTICs across the province. FRESH 93.1 broadcast its live morning show from the Barrie OTIC, along with 18 media outlets participating in the regional launches across the province. All Tourism Week events consisted of a marketplace where tourism operators from that region highlighted local tourism attractions and establishments and gave out prizes to participants. Sixty tourism industry partners participated in the event. Finally, the annual Ontario Tourism Day celebration was held on June 6 at Toronto's Yonge/Dundas Square. The events kept with 'The Best of Ontario' campaign theme and included stage performances, tourism activities, and live media coverage on City TV's Breakfast Television, CTV's News at Noon and evening broadcasts on Global and City TV. A signature feature at the event was a zip line provided by the Blue Mountain Village Association.

Fun Pass

The *Fun Pass* is a collaboration between OTMPC and government agencies and attractions. In 2015, the Fun Pass was distributed to approximately 1.5 million school-aged children (4–14 years) in Ontario via school boards in print and online in June. The *Fun Pass* provides one free child's general admission with a paying adult to 18 Ontario government tourism and culture attractions, plus a discount for a daily vehicle permit at over 300 Ontario Parks. The coupon offers are valid through the summer, to the end of October.

INTERNATIONAL MARKETING

Consumer Marketing

U.K. and France Campaigns

OTMPC launched two major consumer campaigns in London (April 2015) and Paris (February–March 2016) in partnership with Ottawa Tourism, Tourism Toronto and Destination Canada. The 'Six Unforgettable Days in Ontario' campaigns focused on a visually-dominating out-of-home presence at major railway station hubs (St. Pancras, London and Gare Saint-Lazare, Paris). The integrated campaigns featured online, print, video, search, database and social media marketing. The Paris campaign generated a response of 295,794 visits to OTMPC's website, with 8,800 leads to tour operators, which ultimately resulted in 3,238 passengers booked during the campaign period. According to analytics provided by Google, the display banners, native advertising and True View video completion/click through results for the France Campaign in particular were more than double the industry benchmarks.

The campaign included a trade, media and consumer event at the Salon Mondial du Tourisme in Paris and training of 200 agents and participants during the Air Transat Road Shows in Paris, Lyon and Marseille. In the fall of 2015, Tourism Toronto, Ottawa Tourism, Niagara Helicopter and Niagara Tourism joined OTMPC at the International French Travel Markets Top Resa in Paris.

PARIS CAMPAIGN RESPONSE

8,800

LEADS TO TOUR OPERATORS

(RESULTED IN 3,238 PASSENGERS BOOKED DURING CAMPAIGN PERIOD)

Outdoor Adventure

In partnership with Tourism Northern Ontario, OTMPC launched its second U.K. Outdoor Adventure marketing campaign by engaging the media power of Ray Mears as the official spokesperson. A renowned bush craft expert and wildly-popular British television personality, Mears reaches a significant audience. The campaign was a comprehensive multi-channel promotion reaching over 10 million consumers through e-newsletters, adventure travel magazines, partnerships with retailer Mountain Warehouse, non-travel company British Canoe Union and a Ray Mears-hosted media trip.

As noted above, OTMPC International Marketing partnered with OTMPC Northern Partnerships to launch the 2015–16 U.K. Outdoor Adventure marketing campaign. This year, the campaign featured the Temagami region and the legend of Grey Owl. The multi-channel campaign focused on partnerships with five U.K.-based adventure travel companies, e-newsletters, adventure travel magazines, consumer shows, retail partnerships with non-travel companies and a Ray Mears-hosted media trip to Temagami. The campaign generated a response of 35,777 visits to OTMPC's website, 594 leads to partners, 17,779 opted-in names for OTMPC's U.K. email database and

a strong video engagement with 14,786 video views on OTMPC's website.

Early results from the campaign have outfitters reporting 27 confirmed bookings which represents 756 room nights directly attributable to the campaign.

Destination Canada Germany

OTMPC, Tourism Toronto, Ottawa Tourism and other provinces partnered with Destination Canada to launch a new content marketing campaign in Germany to increase active consideration for travelling to Canada in 2016–17, increase awareness and achieve significant engagement with the content. The campaign had a strong social influencer component, along with social media, search, video, travel trade and media publication partnerships. Two YouTube and Instagram influencers visited Ontario to capture their experiences, engage with their audiences and generate excitement. For Ontario, the campaign generated 3.1 million video views on YouTube, 4 million impressions on Facebook and 330,000 likes on Instagram which lead to 4,638 leads to tour operators offering Ontario-specific products.

China Campaigns

During the year, OTMPC won three prestigious industry awards in China: Best Family Travel Destination Award by *Top Travel Magazine* for the new family travel packages and itineraries positioning the province as the top-pick family travel destination in the summer of 2015; Most Innovative Roadshow Award by the China Tourism Academy for four exceptionally popular industry roadshows organized in collaboration with Air Canada and Hainan Airlines in Guangzhou, Shenzhen, Chengdu and Nanjing; and the 2015 Integrated Marketing Award of the Year by China Travel Agent magazine for overall approach and seamless inclusion of trade, consumer and media elements in marketing activities.

Social Media Campaigns

Our target audience in China is extremely active and socially engaged and, along with our large social community, we launched three social media interactive campaigns throughout the year to promote family travel, autumn self-drive vacations and winter travel. Family travel and self-drive vacations in Ontario are currently popular among Chinese travellers. In each of the campaigns, we introduced five different-themed itineraries, along with an interactive mobile game to encourage engagement and learning about the destination which was played an average of 53,610 times, leveraged the audience of seven Key Opinion Leaders and posted themed content an average of 82 times on our Weibo and WeChat channels. These successful campaigns generated a response of 205,734 visits to OTMPC's website, with 7,154 leads to partners. The campaign led to a strong social media engagement of 855,773 and 42,902 new fans.

Rendez-vous Canada

OTMPC partnered with Destination Canada and Niagara Falls Tourism to deliver the 2015 RVC in Niagara Falls, attended by 463 buyers from around the globe and over 1,000 suppliers representing 537 experiences, including 93 from Ontario who, overall, reported an increase in appointments from last year. Vibrant new imagery enabled Ontario to dominate the trade show floor with powerful visuals. OTMPC delivered nine pre- and post-RVC familiarization trips for 144 tour operators.

Travel Trade

Throughout the year, OTMPC trained 3,969 (target 3,150) travel trade representatives on Ontario's key experiences. Thirty-seven new Ontario products were developed with tour operators versus a target of 32. In partnership with Ontario suppliers, the province was showcased to 173 travel trade representatives on familiarization trips. Six joint marketing agreements with tour operators in Asia (five in China and one in Japan) resulted in $955,000 in room night revenue in Ontario from an overall campaign investment of $114,000. OTMPC created opportunities for Ontario suppliers to take their product to market through sales missions to Germany, Japan, China, New York (city and state), Boston and Quebec. Ontario had a strong presence at key international travel trade events such as World Travel Market (U.K.) Internationale Tourismus-Börse (Germany), Top Resa (France), U.S. Tour Operators

Association and National Tour Association annual events in the U.S. in addition to Destination Canada-led business-to-business events such as Showcase Asia (China), Focus Japan and Focus Korea.

Media Relations

As a result of hosting and influencing 537 broadcast, print, online and social media influencers, OTMPC's far-reaching media relations program generated $75.9 million in Advertising Value Equivalency (AVE) versus a target of $67.5 million. In the U.S., two features in *Travel & Leisure* magazine reached more than one million consumers and generated $526,000 in AVE. In China, two major features (35 pages) in *Condé Nast Traveler*, as a result of familiarization trips, generated $1.2 million in AVE. Hosting two Travel Massive events in Toronto and New York generated 465,000 impressions with 150 key travel influencers.

Ontario Signature Experiences Program

During winter 2014, OTMPC launched the first application process to collect new Signature Experiences for the Ontario program. The process resulted in 29 Ontario Signature Experiences. The 29 new experiences, along with the 30 original Ontario-based experiences in the Canada Signature Experiences program, were included in a free-standing insert published in March 2015 for distribution to trade and during RVC. In 2015, two Ontario Signature Experiences applied and were successfully designated as Canadian Signature Experiences.

As of spring 2016, there are 27 Ontario Signature Experiences and 32 Ontario-based Canadian Signature Experiences, for a total of 59 experiences in Ontario.

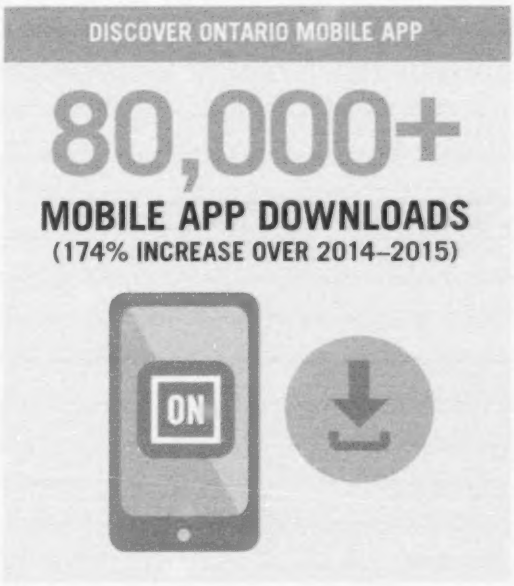
Digital Marketing

Consumers around the world are increasingly using digital channels (i.e., websites, search engines, email, social networks and mobile) to select their travel destination and help them with tourism planning and to make travel purchase decisions.

TCIS consists of: websites in multi-languages; a contact centre that responds to over 80,000 inquiries each year through phone, email and online chat; a distribution service for Ontario brochures, magazines and maps; and a consumer database that allows OTMPC to stay in touch with 260,000 potential travellers. In 2015–16, the website (all markets) had its best year with 4.8 million visits, up 72% from the previous year and 975,000 leads to industry partners, a 117% increase over 2014–15.

TCIS Redevelopment

In 2012, OTMPC received approval to update and redevelop TCIS to better meet evolving consumer expectations. In 2015, this multi-year redevelopment of the TCIS completed release three (of four) of the new system, on schedule and on-budget, resulting in the launch of a full consumer trip-planning tool including suggested travel itineraries and ability to create, edit, share and save trip plans. Elements of the Discover Ontario mobile app were redeveloped, including events, tourism listings and travel packages, maps, nearby information and an augmented reality feature. The mobile app had over 80,000 downloads, a 174% increase over the previous year and over 400,000 views, a 94% increase. The integrated International websites for France, Germany and South Korea and the tourism industry partners' website were redesigned. The redevelopment also means that OTMPC can better track and provide reports including visits to the RTO pages.



Throughout the redevelopment process, OTMPC engaged consumers through research to provide feedback on the new website design, tools and features. As a result of consumer feedback and website usage, OTMPC has integrated social content more fully into the site to make it easily accessible and will continue to make changes to technology and content strategy to provide the best consumer experience.

Social Media

OTMPC is active on Facebook, Twitter, Instagram, YouTube, Pinterest and Vine. With aggressive goals set for community growth and engagement, OTMPC's

social media channels experienced a very successful year. For community growth across all social networks, OTMPC's social community grew to 361,000, a 35% increase in community size over the previous year. Community engagements reached over 783,000, a 41% increase over the previous year, and reach increased by 120%. Instagram emerged as a top channel with strong organic growth and a 361% increase in the community due, in part, to partnerships with top-tier influencers. The Winter 2015 Instagram campaign featured a paid post of a Scandinave Blue Mountain image which received 44,000 likes and 7,000 consumer comments for an overall engagement rate of 5.7%, which is 3.7% above industry benchmarks. The #DiscoverON hashtag has surpassed 100,000 uses, enhancing the collection of Ontario consumer-generated imagery.

OTMPC hosted two successful influencer events on Twitter, working closely with the Travel Massive community to extend reach. A Toronto Travel Massive event, celebrating the Pan/Parapan Am Games, and a New York Travel Massive Event showcasing the Ontario Fall Weekends campaign, had a combined attendance of 160 influencers, and a social reach of 300,000.

On Facebook, OTMPC expanded its paid social strategy, using carousel ads[1] in 2015. Holiday campaign ads generated 145,872 website clicks.

Search

Search is a key component of the digital mix with paid search contributing 20% of visits to the website in 2015–16. As a result of its search engine audit, OTMPC enhanced its website content and will continue to implement technology changes to take best advantage of this channel.

Consumer Email

The 260,000 consumers in the OTMPC's database, who expressed interest to travel in Ontario, received 25 emails with content ranging from brand messaging on Ontario's Best Road Trips, to partner co-branded content regarding regions and associations. The Attractions Ontario co-branded email had a 21.9% open rate and a 7.9% click-through rate, well over the industry average of 2.7%.

Market Research

OTMPC worked throughout the year to provide tourism research, market intelligence and consumer behaviour analysis that assists tourism businesses and operators to make informed business decisions. Tracking results from marketing campaigns were conducted and results will be evaluated for ongoing planning of activities and programs.

Awards

Each year, OTMPC presents the Ontario Tourism Marketing Awards of Excellence and Travel Journalism Awards of Excellence. Submissions from industry are accepted and reviewed by a panel of third-party industry professionals for each award category. The 2015 winners were:

Culinary Tourism Awards of Excellence
Ontario Culinary Tourism Leadership Award – Norfolk County
Ontario Culinary Tourism Experience Award – Niagara Culinary Tours
Ontario Culinary Tourism Event of the Year Award – Taste-Real: Local Food Fest

Tourism Marketing & Travel Media Awards of Excellence
Tourism Marketing Campaign Award Under $25,000 – County of Bruce
Tourism Marketing Campaign Award Over $25,000 – Tourism Toronto
Tourism Marketing Partnership Award – Tourism Windsor Essex Pelee Island
Tourism Print Collateral Award – Southwest Ontario Tourism Corporation
Tourism Digital Marketing Award – The Great Waterway
Travel Media Story Award – Mariellen Ward
Travel Media Photography Award – Colin Field

Tourism Industry Awards of Excellence (TIAO)
Accessible Tourism Award – Royal Ontario Museum
Sustainable Tourism Award – Mariposa Folk Festival
Tourism Employer of the Year – Attractions Ontario
Tourism Champion of the Year – Kevin Eshkawkogan
Tourism Innovator of the Year – Teanna Lindsay Events
Tourism Event of the Year – Supercrawl
Lifetime Achievement Award – Don Braden

Northern Ontario Consumer Campaigns

Based on the results of the first year of the Explore the Possibilities campaign, OTMPC, in collaboration with Tourism Northern Ontario (RTO 13) and Explorers' Edge (RTO 12), led the development of a content based digital program that featured an e-book supported by digital, social and content distribution strategies in place of a printed magazine. The campaign period was extended until the end of June 2016 to support avid and leisure consumer booking periods. Mid-term leads to operators from ontariotravel.net/north increased 54% from 12,000 in 2014–15 to 18,497 in 2015–16.

Ontario's outdoor experiences were actively marketed to avid consumers in Ontario, the U.S. and Europe through the OTMPC angling, hunting, powersports, and outdoor adventure programs.

[1]The carousel format enables advertisers on Facebook and Instagram to show three to five images, headlines, links or calls to action in a single ad. As a result, the ads are considered more effective.

The "Go Fish in Ontario" angling program continued to build on successful partnerships with leading celebrity anglers, generating over 70 TV and radio shows featuring 70 Ontario lodges and resorts. The angling program expanded its international reach, partnering with the *Great Rod Race* TV series and seven Ontario locations showcasing a full range of species and experiences for the U.K. and German markets. Matt Hayes from England and Babs Kijewski from Germany are leading anglers from their respective countries. The program also targeted the U.K. market for carp enthusiasts.

The OTMPC hunting program focused on the key U.S. consumer show for hunting, The Great American Outdoor Show in Harrisburgh, Pennsylvania which attracts 200,000 consumers over nine days, and 10 celebrity hunting shows featuring 10 Ontario hunting outfitters. The return of the spring bear hunt to Ontario in 2017 will create additional opportunity for Ontario operators.

The "Go Ride in Ontario" powersports touring program, which represents motorcycle, snowmobile, all-terrain vehicles and boating, successfully focused on the development of online content and social engagements that resulted in 236,000 leads to industry stakeholders from ontariotravel.net and the northern portal. The program partnered with 40 RTOs and DMOs to undertake media familiarization tours, speciality TV and powersport consumer shows.

DEVELOP AND EXECUTE AN EFFECTIVE PARTNERSHIP STRATEGY

Industry Relations

In 2015–16, staff advanced the Partnership Strategy through the development of a Key Account Program and continued to secure new external and private sector partners to participate in OTMPC programs. Partnerships were initiated or forged with businesses from a variety of sectors including accommodations, transportation, attractions, festivals, wine and culinary, food services, golf, and shopping.

Cooperative marketing partnerships were established with traditional tourism partners such as Air Canada and Porter Airlines and non-traditional partners such as Oxford Properties, a real estate manager of retail and hotel properties.

Stakeholder outreach activity was strong in 2015–16 with stakeholder consultations regarding partnership opportunities, collaboration meetings with tourism attraction agencies, product showcases for industry and a regular schedule of outreach meetings of approximately 40 per quarter.

Broad outreach was undertaken in preparation to execute a marketing campaign to drive interest in Indigenous and Indigenous-related tourism experiences in the province. After broad consultation with key RTO and sector association partners, new partnerable opportunities were developed for 2016–17; these have been well received.

The Ontario Chamber of Commerce was engaged and allowed OTMPC a platform to reach Chamber members from across the province through a monthly teleconference. Other speaking engagements included: Aboriginal Tourism Ontario Annual Conference, Attractions Ontario annual general meeting (AGM), meetings of the Ontario Golf Course Owners Association, Ontario Craft Brewers Association, and numerous RTO AGMs, among others.

To inform strategic direction and track performance, a quarterly Sales and Outreach Performance report was developed. As well, a targeted key stakeholder survey was executed to discover ways to improve OTMPC's email communications regarding partnership opportunities.

In addition, over 400 partner travel packages were uploaded to ontariotravel.net to support OTMPC's themed and avid campaigns.

OTMPC Northern Partnerships worked in collaboration with RTOs 12 and 13 to continue to implement the direction of the Northern Tourism Marketing Strategy 2012–17 and initiate the development of a refreshed Strategic Direction for Marketing Tourism in Northern Ontario for 2017–20.

Northern Partnerships

OTMPC Northern Partnerships worked in collaboration with industry leaders to support and fund seven Northern Partnership initiatives. These included a digital marketing campaign with Porter Airlines and the four destination cities of Thunder Bay, Sault Ste. Marie, Sudbury and Timmins to generate leisure air travel, support for the Amazing Race Canada – Sudbury and Algoma Central Rail and Agawa Canyon Tour Train marketing programs. OTMPC invested $632,000 and partners contributed $1,375,000 for a total marketing spend of $2,007,000.

This collaboration achieved 1.42 million visits to the Northern portal (www.northernontario.travel) and 332,324 leads to partners relying on organic searches only. This represents a 50% increase in visits (475,590) and a 28% increase in leads (73,515) over 2014–15.

The 2015–16 Northern Partnership budget of $4.42 million triggered an additional $3.33 million investment from Northern partners resulting in $7.75 million of overall marketing activity supporting the north. This represents a 9% increase ($650,000) over 2014–15.

TEMP & TIPP

In 2015–16, TEMP supported 136 festivals and events, generating almost five million tourism visits. TEMP helped promote attendance and encourage more visitors to stay overnight. On average, tourism visitors stay two nights, making a significant contribution to local economies. Event organizers reported selling over 72,000 overnight packages through TEMP-supported marketing efforts.

Through TIPP, OTMPC supported 13 industry campaigns, representing 50 industry stakeholders, marketing in key out-of-province, North American markets to entice consumers to visit Ontario destinations such as York, Durham and Headwaters, Stratford, Toronto and Fort Erie. The program requires a partnership of three or more entities and will fund to a maximum of $200,000. OTMPC's contribution does not exceed 40 per cent of the out-of-province marketing costs. OTMPC provided $1.1 million in funding to the 13 campaigns, resulting in over 48,000 overnight packages sold, with an average length of stay at least two days. This support also helped attract over 3.0 million visitors to these regions and over $580 million in expenditures as reported by program participants.

Through TIPP, OTMPC also continued its partnership with a business consortium comprised of Air Canada, Tourism Toronto, Greater Toronto Airport Authority and the Tourism Partnership of Niagara to target U.S. consumers. This program generated 23,500 airline tickets.

OTMPC partnered with Festivals and Events Ontario to produce more than 225,000 copies of the 2015–16 *Festivals and Events in Ontario* guide; with Attractions Ontario to produce and distribute more than 800,000 copies of the 2015 Attractions Ontario Passport magazine and coupon book; and with Resorts of Ontario for print ads in daily publications and digital advertising. OTMPC also supported TIAO in the execution of the 2015 Ontario Tourism Summit in Toronto in November 2015.

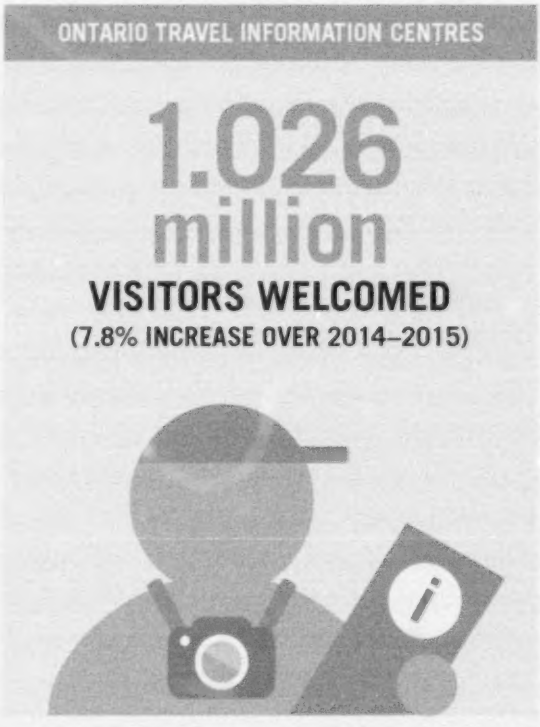
Ontario Travel Information Centres

2015–16 was a very successful and productive year for the 11 OTICs and their outreach programs.

The OTICs welcomed 1.026 million visitors, an increase of 7.8% over the previous year. The OTICs generated a total of $1.3 million in gross revenue and facilitated hotel reservations for 2,000 room nights worth $486,000.

A new state-of-the-art OTIC opened at Toronto's Union Station, combining technology with the personal touch and featuring an open concept, touch screen technology, Wi-Fi, and digital screens to engage visitors/travellers, all to better promote travel within Ontario.

Strong industry stakeholder partnerships continued to be a focus, with over 38,500 engagements with stakeholders such as operators, DMOs and RTOs.



The OTIC-specific social media and media relations program activities achieved a value impact of:

- 67,405 – free air time minutes;
- 36,367 – total broadcasts;
- 43,589 – electronic reports distributed to media outlets;
- 444 – FTP (file transfer protocol) site postings for media outlets; and
- 785,000 – Twitter views.

In October 2015, the OTICs hosted the Annual Travel Information Services Conference designed as a training opportunity to enhance tourism welcome services. The conference brought together representatives from around Ontario and several from elsewhere in Canada, attracting 175 delegates, ten FTP national delegates and 25 tourism industry exhibitors at the marketplace.

Tourism Week in Ontario 2015 generated significant interest and participation by industry partners and media with regional launches held at the Barrie, St. Catharines, Windsor and Sault Ste. Marie OTICs and Yonge/Dundas Square in downtown Toronto.

EMBRACE ORGANIZATIONAL INNOVATION AND EFFECTIVENESS

BOARD

The OTMPC Board of Directors meets four times a year to provide advice, strategic direction and oversight related to agency activities. The Board meeting cycle highlights the following at each meeting: February – Marketing Strategy, June – Audit and Annual Report, September – Industry Update, and December – Business Plan and Budget.

The Board members represented OTMPC at industry events including the annual Ontario Tourism Summit to demonstrate member support for the tourism industry while championing tourism's importance to the economy. OTMPC's senior management team and staff continued to build government and industry links and develop partnerships to strengthen relationships.

CORPORATE SERVICES

OTMPC Corporate Services continued to provide quality oversight of the agency's corporate services – financial, human resources, administrative, IT equipment and facilities management.

Organizational Renewal

In 2015–16, OTMPC restructured with the addition of a third senior manager, resulting in three Vice Presidents, Lisa LaVecchia, Vice President & Chief Marketing Officer, Trisha Grant, Vice President, Industry Relations & International Marketing, and Lorrie Pella, Vice President, Visitor Engagement & Northern Marketing. This change significantly benefited workload management. OTMPC continued to strengthen organizational effectiveness by replacing departing staff and filling vacancies with new staff who brought fresh perspectives from their diverse backgrounds to add to OTMPC's culture.

Learning, Training and Career Development Plan

Concerted efforts were made in 2015–16 to provide staff with the tools required for stronger work performance and improved career development opportunities. Training was provided on various types of software (e.g., Excel, Word, PowerPoint, Illustrator, Photoshop), leadership, creativity and innovation, accessibility and diversity, finance, procurement, first aid, performance development, learning and career development, social media and marketing.

Staff learned the importance of connecting ongoing training and learning to improvements in performance and career advancement planning.

Excellence Canada Quality Certification

As part of the Level 2 Organizational Quality Certification process, OTMPC completed the process and project management requirements necessary for Level 2 Quality Certification by Excellence Canada and was awarded Level 2 certification for organizational effectiveness in August 2015. Since then, OTMPC staff has developed new financial and marketing process maps and has been implementing the processes identified in the maps previously developed. For example, the procurement and contract management process map was used as a tool to guide OTMPC staff through a number of procurement and contract management projects this year.

2015–2016 Staffing by Division, OTMPC – 89 Total

External Auditor for Annual Financial Statements

Using Supply Chain Ontario's e-Tendering Service, OTMPC successfully procured the services of a new external auditor for its year-end annual financial statements, beginning with 2015–16.

Compliance with *Accessibility for Ontarians with Disabilities Act (AODA)*

In March 2016, the Accessibility Directorate of Ontario conducted a file review of OTMPC's compliance with the Accessibility Standards for Customer Service, Ontario Regulation 429/07 (Customer Service Standard) and Integrated Accessibility Standards, Ontario Regulation 191/11 under the *Accessibility for Ontarians with Disabilities Act, 2005*.

OTMPC provided its multi-year Accessibility Plan and policies as well as documentation on training, public notification and individualized workplace emergency response information for employees who have a disability. Information on our multi-year plan and policies are available on both OTMPC's public websites in English and French:

- ontariotravel.net/en/info/about
- ontariotravel.net/fr/info/about
- tourismpartners.com/en/about-otmpc
- tourismpartners.com/fr/about-otmpc

OTMPC continues to ensure corporation-wide compliance and that all staff are trained and aware of our obligations under the AODA.

Health and Safety

OTMPC's staff manual on procedures to follow during adverse events was updated and provided to all staff at its Headquarters location. The information in this manual is a vital part of new staff orientation.

The Health and Safety Committee continues to inspect the workplace monthly and OTMPC's management team responds readily with remedies if necessary. In addition, ongoing efforts are being made to ensure OTMPC's workplace is a safe workplace.

PRESIDENT'S OFFICE

President's Counsel on Innovation and Creativity

A 'President's Counsel on Innovation and Creativity' continued to meet and recommended opportunities to explore innovation and creativity within OTMPC's organizational culture. Members include the CEO and staff volunteers from each Directors' team.

Team and Staff Meetings

OTMPC regularly held team meetings throughout the year including the Directors' Table, Leadership Committee, regular All-Staff meetings, ongoing team meetings, Health and Safety Committee, Social Committee and an annual Team Meeting with the President.

OTMPC continues to enhance accountability measures related to expenditures and procurement, and invested in learning opportunities and internal activities. OTMPC continued to operate within its employee allocation while accomplishing the organizational culture shift.

Performance Measures

	2014–15 Actual	2015–16 Goal	2015–16 Actual
Brand Health			
Unaided Destination Awareness – Short Trip			
Ontario	54%	50%	50%
Montréal	26%	N/A	N/A
U.S. – Near markets	13%	17%	17%
U.S. – Mid-market (NYC)	1%	2%	2%
Overall rating of Ontario as a destination (Average Rating)*			
Ontario	8.0	7.9	7.9
Montréal	6.8	N/A	N/A
U.S. – Near markets	7.3	7.5	7.5
U.S. – Mid-market (NYC)	7.2	7.2	7.2
**Scale 1 to 10*			
Marketing Campaign Return on Investment (ROI, Summer Campaign)			
Ontario	$18.90 : 1	$12.00 : 1	$25.80 : 1
U.S. – Near markets	$4.13 : 1	$10.00 : 1	$5.20 : 1

	2014–15 Actual	2015–16 Goal	2015–16 Actual	% Achieved
TCIS				
Website traffic – # of visits	2,796,000	3,200,000	4,835,669	151%
Lead generation – # of clicks off ontariotravel.net and all verticals to industry plus clicks from direct emails and mobile app	450,270	800,000	974,721	122%
Call Centre – # of calls	68,286	70,000	66,978	96%
Live Chat – # of chats	10,382	12,000	12,993	108%
Mobile				
Discover Ontario mobile app – # of downloads	29,479	32,000	80,841	253%
Discover Ontario mobile app – # of event views (incl. Events, attractions, lodging, dining & OTICs)	211,916	250,000	411,9[illegible]	165%
Discover Ontario mobile app – external link clicks (New Measure)	N/A	N/A	7,113	N/A

DEFINITIONS:

Brand Health

Unaided Destination Awareness – Short Trip (From the Brand and Advertising Tracking Study: When you think of taking a short getaway trip of one to three nights away from home, which destination first comes to mind? Where is this destination located? What other destinations, if any, come to mind for a short getaway trip of one to three nights away from home?)

Destination rating (From the Brand and Advertising Tracking Study: On a scale from 1 to 10, where 10 is excellent and 1 is poor, how would you rate each of the following places as a pleasure travel destination?)

Marketing Campaign ROI

ROI Summary (From the Brand and Advertising Tracking Study – Return to Sample: Converted Revenue / Total Campaign Expenditure = ROI)

TCIS

Website Traffic includes: # of visits to main consumer site + verticals + overseas on ontariotravel.net plus external (U.K., Japan and China)

Lead Generation: # of clicks from website to industry partners from main website, verticals, overseas, direct emails and mobile app

	2014–15 Actual	2015–16 Goal	2015–16 Actual	% Achieved
Social Media – Consumer Engagement				
Viewership (Clicks & Views)	6,033,634	6,100,00	6,088,431	99%
Community Size (New Fans)	91,213	118,000	95,000	80%
Community Engagement (Applause, Amplification, Conversion)	656,261	700,000	783,568	119%
Reach (Impressions)	18,230,730	20,000,000	40,147,372	200%
TOTAL:	25,011,838			
Media Relations				
Earned Media/Ad Equivalency – North America, Overseas	$85.2 million	$67.5 million	$75.9 million	112%
Travel Trade				
# of Travel Trade trained – North America, Overseas	5,332	3,150	3,969	126%
# of New Products developed – North America, Overseas	16	32	37	116%

Industry Partnerships			
	2014–15 Actual	**2015–16 Goal**	**2015–16 Actual**
Cash	$3.0 million	$2.4 million	$3.0 million
Leverage	$11.0 million	$8.0 million	$12.0 million
Leverage in-kind	$2.2 million	$1.0 million	$1.4 million
# of Visitors – OTICs	960,000	1,000,000	1,026,000

Operations / Organizational Effectiveness			
	2014–15 Actual	**2015–16 Goal**	**2015–16 Actual**
Industry satisfaction with OTMPC programs and services	Deferred to 2015–16	6.5/10	7.2/10
Measure degree to which employees feel engaged	73.2%	N/A	To be conducted in 2016–17

Mobile

Discover Ontario downloads: total combined app downloads to iPhone, iPad, Android and BlackBerry devices via the three corresponding app stores

Discover Ontario event view: total overview page views that include event overviews, dining overviews, lodging overviews and OTIC overviews

Discover Ontario external link clicks: total combined leads to partners from listings (packages, events, etc.) from mobile app

Social Media

Consumer engagement is measured by Applause (likes), Amplification (shares), Conversation (comments)

Media Relations

Advertising Value Equivalency (AVE) is at a 1:1 ratio

Travel Trade

Travel Trade Trained: # of tour operators and travel agents trained by OTMPC

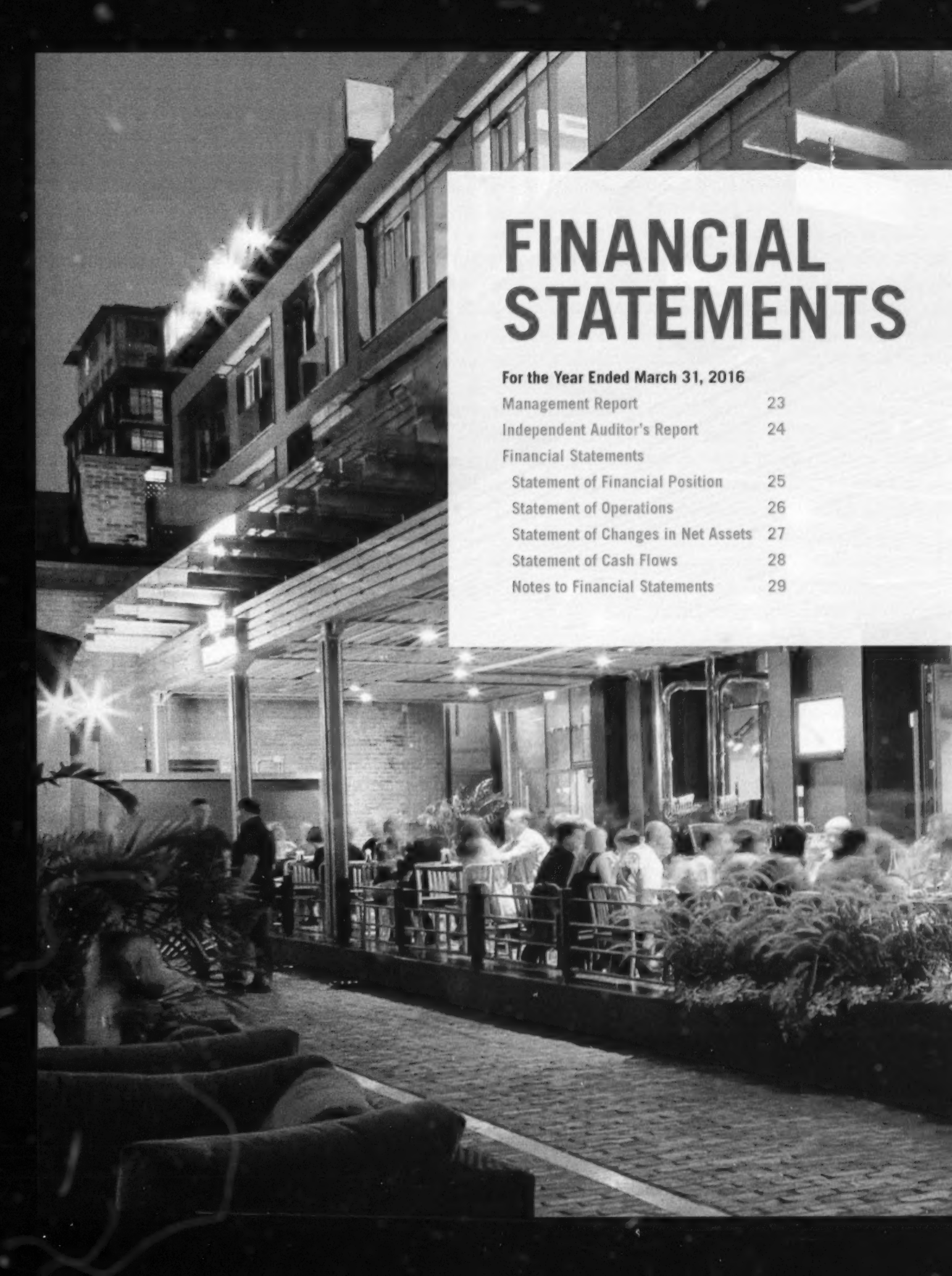
New Product Developed: new additional overnight in Ontario, new itinerary / fly-drive or new product is developed

Industry Partnerships

Cash – dollar amount received by OTMPC from a partner for participation in OTMPC-delivered programs and advertising sales and revenue sales generated at OTICs

Leverage – dollar amount that OTMPC's investment in a partner's program (private and public) triggers in additional investment

Leverage in-kind – the dollar amount that OTMPC partners contributed to partnerships



FINANCIAL STATEMENTS

For the Year Ended March 31, 2016

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Financial Statements

Ninety-four per cent of OTMPC's $55.0 million operating revenue was received from the Ontario government: a $39.9 million allocation plus $12.0 million in-year funding – including $11.8 million for sports tourism marketing in support of the 2015 Pan/ Parapan Am Games. Most of the remaining $3.2 million revenue was earned from advertising and product sales to marketing partners and consumers.

OTMPC generated an operating deficit of $(0.3) million after depreciation of $1.5 million on capital assets, largely TCIS. OTMPC will draw down its reserve fund for the remaining redevelopment stage of TCIS in 2016–17.

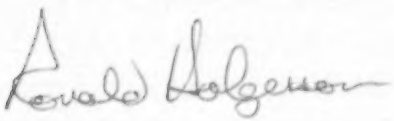
Salaries and benefits for OTMPC staff, including its 11 OTICs, comprised 16.8 per cent of its total operating expenses.

Management Report

The accompanying financial statements are the responsibility of the management of the Ontario Tourism Marketing Partnership Corporation. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains a system of internal accounting and administrative control that is designed to provide reasonable assurance the financial information is relevant, reliable and accurate and that the Corporation's assets are properly accounted for and adequately safeguarded.

The financial statements have been audited by BDO Canada LLP, a firm of independent external auditors appointed by the Board of Directors, whose report follows.



Ronald Holgerson
President and CEO
June 14, 2016

Lidia Maleckyj
Treasurer
June 14, 2016

Independent Auditor's Report

To the Board of Directors of
Ontario Tourism Marketing Partnership Corporation

We have audited the accompanying financial statements of Ontario Tourism Marketing Partnership Corporation, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Tourism Marketing Partnership Corporation as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
June 14, 2016

Statement of Financial Position

	March 31 2016 ($ 000)	March 31 2015 ($ 000)
ASSETS		
Current		
Cash	**6,811**	12,230
Accounts receivable	**651**	1,432
Due from the Province of Ontario	**2,084**	7,186
Prepaid expenses	**88**	17
	9,634	20,865
Capital assets (Note 3)	**6,861**	5,142
	16,495	26,007
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	**4,440**	**7,394**
Deferred revenue (Note 4)	**157**	**5,417**
	4,597	**12,811**
Obligation for employee future benefits	**1,783**	1,591
Deferred capital contributions (Note 5)	**589**	794
	2,372	**2,385**
	6,969	15,196
Net assets		
Unrestricted fund	**757**	147
Special projects fund (Note 2h)	**2,497**	6,316
Investment in capital assets	**6,272**	4,348
	9,526	10,811
	16,495	26,007

Approved on behalf of the Board:

Peter C. Fullerton
Director

Jim Marchbank
Chair

The accompanying notes are an integral part of these financial statements

Statement of Operations

For the year ended March 31	2016 ($ 000)	2015 ($ 000)
Revenues		
Province of Ontario Grant (Note 6)	**51,866**	47,479
Advertising sales	**1,672**	2,023
Travel Information Centres – sales and rentals	**1,040**	706
Interest income	**65**	144
Trade promotions	**188**	128
Amortization of deferred contribution	**205**	241
	55,036	50,721
Expenses		
Advertising and marketing	**33,842**	29,028
Partnerships and sales	**613**	624
Travel Information Centres (Note 7)	**5,901**	5,312
Administration (Note 8)	**7,219**	7,554
Tourism Consumer Information System	**3,513**	3,511
Events marketing program	**1,942**	1,987
Research	**783**	742
Amortization of capital assets	**1,518**	1,130
Board and committee expenses (Note 9)	**43**	31
	55,374	49,919
Excess (deficiency) of revenues over expenses	**(338)**	802

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

	Unrestricted Fund ($ 000)	Special Projects Fund ($ 000)	Investment in Capital Assets ($ 000)	2016 Total ($ 000)	2015 Total ($ 000)
Net assets, beginning of the year	147	6,316	4,348	10,811	10,847
Excess (deficiency) of revenues over expenditures for the year	975	–	(1,313)	(338)	802
Interest income	(65)	65	–	–	–
Reserve for TCIS redevelopment project	(300)	300	–	–	–
TCIS redevelopment expenses (Note 2h)	–	(947)	–	(947)	(838)
Purchase of capital assets, net	–	(3,237)	3,237	–	–
Net assets, end of year	757	2,497	6,272	9,526	10,811

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended March 31	2016 ($ 000)	2015 ($ 000)
OPERATING		
Excess (deficiency) of revenues over expenses	**(338)**	802
Add (less) non-cash items:		
Amortization of deferred capital contributions	**(205)**	(241)
Amortization of capital assets	**1,518**	1,130
Obligation for retirement benefits	**192**	(285)
	1,167	1,406
TCIS Redevelopment Expenses – Special Project Fund	**(947)**	(838)
Change in non-cash working capital	**(2,402)**	5,077
	(2,182)	5,645
CAPITAL		
Capital asset additions	**(3,237)**	(4,952)
Deferred capital contributions	**–**	757
	(3,237)	(4,195)
Increase (decrease) in cash during the year	**(5,419)**	1,450
Cash, beginning of year	**12,230**	10,780
Cash, end of year	**6,811**	12,230

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

March 31, 2016

1. NATURE OF CORPORATION

The Ontario Tourism Marketing Partnership Corporation (the "Corporation") was established as a corporation without share capital on November 30, 1998 pursuant to Ontario Regulation 618/98 made under the *Development Corporations Act*. The Regulation was amended by Ontario Regulation 271/04 in September, 2004 to extend the mandate of the Corporation indefinitely. The Corporation commenced active operations on April 1, 1999. The mandate of the Ontario Tourism Marketing Partnership Corporation are:

(a) to market Ontario as a travel destination;

(b) to undertake joint marketing initiatives with the tourism industry;

(c) to support and assist the marketing efforts of the tourism industry; and

(d) in co-operation with the tourism industry, the Government of Ontario, other governments and other agencies of governments, to promote Ontario as a travel destination.

The Corporation enters into agreements with private and public sector partners in order to add value to tourism marketing programs. The Corporation tracks the dollar value (leverage, in-kind) of such agreements to demonstrate the impact of the Corporation's investment on the partnered marketing programs. However, related partner revenues and expenses are not included in the Corporation's financial statements.

The Corporation is a not-for-profit organization, and thus not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are the representations of management and are prepared in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations including the 4,200 series of standards contained in the Chartered Professional Accountants (CPA) Canada handbook.

(b) Revenue Recognition

The Corporation follows the deferral method of accounting for revenues.

Province of Ontario Grant

The Corporation is funded primarily by the Province of Ontario. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in a subsequent period.

Advertising Sales and Travel Information Centres – sales and rentals

Revenue from Advertising sales and Travel Information Centres – sales and rentals is recognized in the period in which the service is provided or the program is run, the amount can be reasonably estimated and collection is reasonably assured.

Interest Income

Interest income is recognized in the period in which it is earned.

Other

Other revenue items are recognized in the period in which they relate, when the amount can be reasonably estimated and collection is reasonably assured.

(c) Partner Support

The Corporation benefits from donated services provided by the tourism industry, such as transportation costs (airline and bus tickets), and accommodation and meal costs (discounted or free hotel rooms and restaurant charges). Because of the difficulty of determining their fair value, donated services are not recognized in the financial statements.

(d) Inventory

Inventory held from time to time is comprised of merchandise available for sale at the Travel Information Centres.

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(e) Capital Assets

All capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the asset, with half a year amortization taken in the year of acquisition and disposition. All capital assets are amortized over three to five years.

Assets in progress represent assets under construction or development. These assets are not amortized until they are put in use.

(f) Deferred Capital Contributions

Deferred capital contributions represent amounts received from Ministry of Tourism, Culture and Sport to finance the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related assets.

(g) Investment in Capital Assets

Investment in capital assets represents funds provided for capital assets. The financing of investment in capital assets is transferred from operations on an annual basis.

(h) Special Projects Fund

The Board approved the creation of an internally restricted Special Projects Fund to provide for longer term special projects. At March 31, 2016, $2,497,000 (2015 – $6,316,000) is being held for the Tourism Consumer Information System redevelopment project. Work on this project commenced in the summer of 2013 (Note 10a). During the year, the Board approved $947,000 (2015 – $838,000) of redevelopment costs to be charged directly to the fund. Interest earned on these funds is being added to the fund.

(i) Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

(j) Financial Instruments

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments.

Financial instruments are recorded at cost when acquired or issued. In subsequent periods, investments traded in an active market are reported at fair value. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(k) Retirement Benefits

The costs of any legislated severance under the *Public Service Act of Ontario* and earned by employees are recognized when earned by eligible employees. During the year, the obligation was increased by $192,000 (2015 – reduced by $285,000) based on assumptions derived from the December 31, 2014 actuarial valuation completed by the Province of Ontario. The liability is calculated using the management's best estimate of future inflation rates, employee salary levels and other underlying assumptions. The liability calculated using the projected benefit method and the following assumptions approximates $1,783,000 (2015 – $1,591,000). The assumptions used for wage and salary escalation was 1.86% (2015 – 1.94%), the discount factor used was 0.71 (2015 – 0.79) and the estimated average years to retirement was 16.72 years (2015 – 12.32 years).

(l) Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

3. CAPITAL ASSETS

	2016 ($ 000)		2015 ($ 000)	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Furniture	**396**	**389**	396	378
Leasehold improvements	**2,434**	**1,871**	**2,434**	1,697
Tourism Consumer Information System	**13,915**	**7,624**	**10,678**	6,291
	16,745	**9,884**	**13,508**	8,366
Cost less accumulated amortization		**6,861**		5,142

4. DEFERRED REVENUE

	2016 ($ 000)	2015 ($ 000)
Ministry of Tourism, Culture and Sport		
OTICS – Capital assets	**98**	71
Fun Pass	**30**	–
Pan/Parapan American Games Secretariat	**–**	5,251
Advertising programs	**29**	95
	157	5,417

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received relating to acquisition of capital assets:

	2016 ($ 000)		2015 ($ 000)	
	Contributions	**Accumulated Amortization**	Contributions	Accumulated Amortization
Contributions received	**1,688**	**1,099**	1,688	894
Contributions less accumulated amortization		**589**		794

6. REVENUE: PROVINCE OF ONTARIO

The Corporation received funding that is recognized as revenue from the Province as follows:

	2016 ($ 000)	2015 ($ 000)
Core funding	**39,868**	39,868
PanAm/Parapan American Games – Celebration Zone	**7,786**	203
Media Buys	**4,002**	7,186
Ontario Travel Centres Capital	**41**	100
Fun Pass	**40**	–
Summer Experience Program	**129**	122
	51,866	47,479

7. TRAVEL INFORMATION CENTRES

The expenditures for the Travel Information Centres are as follows:

	2016 ($ 000)	2015 ($ 000)
Salaries and benefits	**3,182**	2,983
Accommodation	**1,382**	1,292
Services	**530**	407
Transportation and communications	**143**	152
Supplies and equipment	**64**	56
Merchandise for sale	**600**	422
	5,901	5,312

Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $184,000 (2015 – $177,000).

8. ADMINISTRATIVE EXPENSES

Certain costs of administration such as legal and human resources support services were provided by the Ministry of Tourism, Culture and Sport without charge. All other administrative expenses are borne by the Corporation and are as follows:

	2016 ($ 000)	2015 ($ 000)
Salaries and benefits	**6,114**	6,411
Services	**932**	981
Transportation and communications	**155**	137
Supplies and equipment	**18**	25
	7,219	7,554

The Corporation provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multi-employer defined benefit pension plans established by the Province. These plans are accounted for as defined contribution plans, as the Corporation has insufficient information to apply defined benefit plan accounting to these pension plans. Included in salaries and benefits are contributions to the PSPF and OPSEU pension funds for the year of $435,000 (2015 – $427,000).

Costs of post-retirement non-pension employee benefits are paid by the Management Board Secretariat and are not included in administrative expenses.

9. BOARD AND COMMITTEE EXPENSES

Board and committee members are reimbursed for travel expenses incurred to attend board of directors and related committee meetings. Board and committee members do not receive per diems to attend board and committee meetings.

10. TOURISM CONSUMER INFORMATION SYSTEM REDEVELOPMENT AND COMMITMENTS

a) After a competitive procurement process in 2013, Hewlett Packard has been awarded a five year contract as the service provider for hosting, operations, maintenance and redevelopment of the Tourism Consumer Information System. Total committed amount to Hewlett Packard as at March 31, 2016 is $26,758,000. During the year $7,118,000 was paid out for a total payment of $18,341,000 against the contract. The estimated payments for the next two years are as follows:

	($ 000)
2017	5,119
2018	3,298

b) During the year, total costs incurred for the Tourism Consumer Information System amounted to $7,686,000 (2015 – $8,544,000) of which $947,000 (2015 – $838,000) was charged directly to the Special Projects Fund (Note 2h) and $3,237,000 (2015 – $4,195,000) was capitalized to the Investment in Capital Assets. The remaining $3,513,000 (2015 – $3,511,000) is recorded in the statement of operations.

c) The Corporation has various operating leases for its premises and advertising. The operating lease for the head office expires in 2019. The minimum annual payments for the next four years are as follows:

	($ 000)
2017	1,019
2018	1,019
2019	589
2020	445